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RUEHKT/AMEMBASSY KATHMANDU 8993
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RUEHLO/AMEMBASSY LONDON 1659
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C O N F I D E N T I A L SECTION 01 OF 02 DHAKA 000476

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TAGS: PGOV PREL KCRM BG

SUBJECT: ANTI-CORRUPTION COMMISSION CHAIRMAN DEFENDS INVESTIGATIONS

REF: A. DHAKA 459

¶B. DHAKA 411

Classified By: Ambassador Patricia A Butenis; reasons 1.4(b) and (d)

¶1. (C) Summary: Anti-Corruption Commission Chairman Hosain Mashhud Chowdhury unequivocally maintained that the ACC has a solid basis for investigating each of the 100 individuals identified in two lists of individuals suspected of corruption. During a March 19 meeting with the Ambassador and Econoff (note taker), Chowdhury also told the Ambassador the ACC expected to file one to three corruption cases in court by the end of March and was preparing a separate corruption case against Tarique Rahman. End Summary.

¶2. (C) In a March 19 call on Lt. Gen. (Retd.) Hasan Mashhud Chowdhury, Chairman of the Anti-Corruption Commission and a former Army Chief of Staff, the Ambassador expressed U.S. support for the government's new emphasis on combating corruption and noted we would monitor the government's adherence to due process principles and respect for human rights. Chowdhury assured the Ambassador that these were priorities for the ACC and the government. He described the procedures being followed by the ACC in investigating cases, which include a preliminary investigation using a standard similar to probable cause under U.S. law to determine whether to list an individual as a target of interest and require them to present a statement of net worth to the Commission. Chowdhury noted the ACC follows standard procedures under Bangladesh criminal law for filing, investigating and prosecuting a case. The ACC is currently developing a panel of independent lawyers to use as prosecutors.

¶3. (C) Chowdhury dismissed business community concerns (Ref. A) about the chilling effect the investigations were having. Pressed on press reports on March 8 that include a second list of 50 individuals, Chowdhury tacitly confirmed the existence of the list, which has not been formally published. He said those on the list had no reason to go into hiding; nothing would happen until the list is published. When the list is officially published, the individuals will be asked to submit a statement of personal worth as provided by the ACC rules. If it is in order, no further action will be taken. "We're targeting individuals who flaunt their wealth without obvious sources of income to support it, not groups or sectors," Chowdhury said. Chowdhury responded indignantly to rumors some in the military were using the threat of a listing to drum up political support for a military political party, claiming

the day he believes those rumors are true would be his last day in office.

¶4. (C) The Ambassador discussed our concerns about the role of the military in the interim government, flagged the importance of announcing soon a schedule for elections, and suggested the ACC consider steps the ACC could take to change the climate of corruption through public outreach. She passed a copy of our letter to the Foreign Affairs Advisor outlining U.S. anti-corruption programs in Bangladesh and offering to further assist the GOB. Chowdhury predicted an election schedule would be announced by the end of March and played down the role of the military in the corruption task forces (Ref B). He said he was finalizing plans for a three-week schedule of trips to each of the 64 districts to speak with district and sub-district level leaders on corruption issues and their obligations as servants of the people.

¶5. (C) In a March 14 meeting with the Australian High Commissioner (PROTECT), Chowdhury described the institutional challenges facing him. He has little confidence in his staff, most of whom joined the ACC from the notoriously ineffectual and corrupt Bureau of Anticorruption, which the ACC replaced. Moreover, his staff lacks significant investigative expertise, including critical forensic accounting skills and familiarity with property cases. The ACC's legal powers are being enhanced, Chowdhury said, with powers of arrest, asset forfeiture, and limitations on bail. There is no authority for plea bargains; however, a legislative change was worth considering. Corruption in the courts would be addressed by special anti-corruption court panels, already authorized in existing legislation to ensure fair trials.

DHAKA 00000476 002 OF 002

¶6. (C) Chowdhury also told the high commissioner the ACC was focusing on "the big fish" so as to set an example that no one is above the law. He has already informed the Inspector General of Police the ACC would not pursue low level corruption among the police; rather the IGP should address police corruption. Chowdhury acknowledged the strategy reflects resource constraints as well.

¶7. (C) Comment: Chowdhury's energetic, no-nonsense approach to the ACC stands in stark contrast to his predecessor and is attracting offers of enhanced technical assistance and support from the Asian Development Bank and Bangladesh's major development partners. The ACC's need for technical assistance with forensic accounting and financial crimes investigation dovetail with support we are currently providing the anti-money laundering unit of the Bangladesh Bank. We will look for ways to leverage this support in cooperation with Bangladesh's other development partners.
End Comment.
BUTENIS